

**SOUTH CAROLINA HISTORICAL SOCIETY**

**FINANCIAL REPORT**

**DECEMBER 31, 2022 and 2021**

**SOUTH CAROLINA HISTORICAL SOCIETY**

**FINANCIAL REPORT**

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*Independent Auditor's Report*

To the Board of Managers  
South Carolina Historical Society  
Charleston, South Carolina

***Opinion***

We have audited the financial statements of South Carolina Historical Society, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of South Carolina Historical Society as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Carolina Historical Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Other Matter***

The 2021 financial statements were reviewed by us and our report thereon, dated March 28, 2022, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. A review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Carolina Historical Society's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk

of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of South Carolina Historical Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Carolina Historical Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

DCLPAS, LLC dba Davis & Company CPAs

Mount Pleasant, South Carolina  
May 23, 2023

**SOUTH CAROLINA HISTORICAL SOCIETY  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2022 AND 2021**

	<i>(Audited)</i>	<i>(Reviewed)</i>
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents, without donor restriction	\$ 372,190	\$ 469,802
Investments, at market, current	127,100	225,000
Contributions receivable, net	10,000	10,000
Other receivables	55,219	75,513
Prepaid expense	34,499	20,627
Cash and cash equivalents, with donor restriction	376,601	439,674
Property and equipment, net	4,582,803	4,785,746
Investments, at market, long-term	4,230,182	5,238,729
	<u>9,788,594</u>	<u>11,265,091</u>
<b>TOTAL ASSETS</b>		
	\$	\$
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	6,887	10,580
Contributions to other, current	-	50,000
Contributions to other, net long-term	-	112,563
Total liabilities	<u>6,887</u>	<u>173,143</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	4,185,161	4,381,368
Designated by the Board for endowment	<u>2,936,030</u>	<u>3,759,574</u>
Total without donor restrictions	7,121,191	8,140,942
With donor restriction	<u>2,660,516</u>	<u>2,951,006</u>
Total net assets	<u>9,781,707</u>	<u>11,091,948</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 9,788,594</u>	<u>\$ 11,265,091</u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<i>(Audited)</i>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Membership dues	\$ 263,663	\$ -	\$ 263,663
Contributions	149,915	18,046	167,961
Grants	27,883	149,416	177,299
Investment income, net of \$33,179 in fees	70,421	32,569	102,990
Program income	42,263	-	42,263
Library income and services	24,540	-	24,540
Museum ticket sales	40,380	-	40,380
Retail sales, net	5,365	-	5,365
Release from pledge obligation	162,563	-	162,563
Other revenue	3,213	-	3,213
	<u>790,206</u>	<u>200,031</u>	<u>990,237</u>
Net assets released from restriction	<u>222,686</u>	<u>(222,686)</u>	<u>-</u>
Total support and revenues	1,012,892	(22,655)	990,237
<b>EXPENSES</b>			
Program services	876,746	-	876,746
Supporting services			
Management and general	199,730	-	199,730
Fundraising	191,582	-	191,582
	<u>1,268,058</u>	<u>-</u>	<u>1,268,058</u>
Total expenses	1,268,058	-	1,268,058
Unrealized and realized loss on investments	<u>(764,585)</u>	<u>(267,835)</u>	<u>(1,032,420)</u>
Total expenses and investment loss	2,032,643	267,835	2,300,478
<b>CHANGE IN NET ASSETS</b>	(1,019,751)	(290,490)	(1,310,241)
<b>NET ASSETS, beginning of year</b>	<u>8,140,942</u>	<u>2,951,006</u>	<u>11,091,948</u>
<b>NET ASSETS, end of year</b>	<u>\$ 7,121,191</u>	<u>\$ 2,660,516</u>	<u>\$ 9,781,707</u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<i>(Reviewed)</i>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Membership dues	\$ 323,629	\$ -	\$ 323,629
Contributions	53,013	59,663	112,676
Grants	119,788	17,268	137,056
Investment earnings, net of \$37,657 in fees	328,892	148,869	477,761
Paycheck protection program	145,962		145,962
Program income	32,773	-	32,773
Library income and services	35,711	-	35,711
Museum ticket sales	32,570	-	32,570
Retail sales, net	4,147		4,147
Other revenue	12,165	-	12,165
	<u>1,088,650</u>	<u>225,800</u>	<u>1,314,450</u>
Net assets released from restriction	<u>296,098</u>	<u>(296,098)</u>	<u>-</u>
Total support and revenues	1,384,748	(70,298)	1,314,450
<b>EXPENSES</b>			
Program services	823,664	-	823,664
Supporting services			
Management and general	130,841	-	130,841
Fundraising	124,690	-	124,690
	<u>1,079,195</u>	<u>-</u>	<u>1,079,195</u>
Total expenses	1,079,195	-	1,079,195
<b>CHANGE IN NET ASSETS</b>	305,553	(70,298)	235,255
<b>NET ASSETS, beginning of year</b>	<u>7,835,389</u>	<u>3,021,304</u>	<u>10,856,693</u>
<b>NET ASSETS, end of year</b>	<u>\$ 8,140,942</u>	<u>\$ 2,951,006</u>	<u>\$ 11,091,948</u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<i>(Audited)</i>			
	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fund- raising</u>	<u>Total</u>
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries	\$ 397,489	\$ 104,893	\$ 49,686	\$ 552,068
Employee benefits	7,637	2,015	955	10,607
Payroll taxes	31,062	8,198	3,882	43,142
Retirement	18,711	4,939	2,338	25,988
Total compensation and related expenses	<u>454,899</u>	<u>120,045</u>	<u>56,861</u>	<u>631,805</u>
<b>OTHER EXPENSES</b>				
Program	67,666	-	-	67,666
Advertising	-	-	62,765	62,765
Insurance	39,568	10,441	4,946	54,955
Publications	38,735	-	-	38,735
Lobbying	-	-	34,208	34,208
Utilities	13,116	3,461	1,640	18,217
Professional fees	12,780	3,372	1,598	17,750
Building maintenance	10,098	2,665	1,262	14,025
Travel and education	9,449	2,493	1,181	13,123
Computer and technology	8,833	2,331	1,104	12,268
Library collections	7,929	-	-	7,929
Postage	4,692	1,238	587	6,517
Telephone	4,639	1,224	580	6,443
Bank fees	3,557	939	445	4,941
Exhibit expense	3,298	-	-	3,298
Scholarships	2,250	-	-	2,250
Security and fire	1,537	406	192	2,135
Office supplies	1,366	360	171	1,897
Miscellaneous	1,329	351	166	1,846
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>685,741</b>	<b>149,326</b>	<b>167,706</b>	<b>1,002,773</b>
Depreciation	<u>191,005</u>	<u>50,404</u>	<u>23,876</u>	<u>265,285</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ <u>876,746</u></b>	<b>\$ <u>199,730</u></b>	<b>\$ <u>191,582</u></b>	<b>\$ <u>1,268,058</u></b>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<i>(Reviewed)</i>			
	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fund- raising</u>	<u>Total</u>
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries	\$ 322,242	\$ 57,635	\$ 43,290	\$ 423,167
Employee benefits	17,973	3,214	2,414	23,601
Retirement	31,790	5,686	4,271	41,747
Payroll taxes	19,710	3,525	2,648	25,883
Total compensation and related expenses	<u>391,715</u>	<u>70,060</u>	<u>52,623</u>	<u>514,398</u>
<b>OTHER EXPENSES</b>				
Insurance	38,869	6,952	5,223	51,044
Publications	46,334	-	-	46,334
Program	38,314	-	-	38,314
Advertising	-	-	26,407	26,407
Professional fees	19,742	3,531	2,652	25,925
Utilities	15,702	2,809	2,110	20,621
Building maintenance	8,629	1,543	1,159	11,331
Bad debt expense	6,471	1,158	871	8,500
Postage	6,116	1,094	823	8,033
Lobbying	6,091	1,090	819	8,000
Office supplies	6,018	1,076	808	7,902
Computer and technology	5,949	1,064	799	7,812
Exhibit Expense	4,839	865	650	6,354
Telephone	4,832	864	649	6,345
Library collections	5,475	-	-	5,475
Bank Fees	3,948	706	530	5,184
Miscellaneous	3,735	668	503	4,906
Travel and education	2,579	461	348	3,388
Security and fire	2,452	439	330	3,221
Scholarships	2,000	-	-	2,000
Dues and subscriptions	1,478	264	199	1,941
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<u>621,288</u>	<u>94,644</u>	<u>97,503</u>	<u>813,435</u>
Depreciation	202,376	36,197	27,187	265,760
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u><u>\$ 823,664</u></u>	<u><u>\$ 130,841</u></u>	<u><u>\$ 124,690</u></u>	<u><u>\$ 1,079,195</u></u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>(Audited)</u>	<u>(Reviewed)</u>
	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (1,310,241)	\$ 235,255
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	265,285	265,760
Unrealized and realized (gains)/losses	1,032,883	(390,588)
Release from pledge obligation	(162,562)	-
Paycheck protection program forgiveness	-	(145,962)
Decrease (increase) in current assets:		
Contribution receivables	-	48,590
Other receivables	20,294	-
Prepaid expenses	(13,872)	1,375
Increase (decrease) in operating liabilities:		
Accounts payable	(6,845)	3,536
Contributions to others	-	6,005
Net cash provided (used) by operating activities	<u>(175,058)</u>	<u>23,971</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(62,341)	(2,200)
Purchases of construction in progress	-	(29,035)
Proceeds from sale of securities	1,974,900	2,184,859
Purchase of securities - net reinvested earnings	<u>(1,901,336)</u>	<u>(2,254,553)</u>
Net cash provided (used) by investing activities	11,223	(100,929)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Paycheck protection program proceeds	<u>-</u>	<u>145,962</u>
Net cash provided (used) by financing activities	<u>-</u>	<u>145,962</u>
Net change in cash and cash equivalents	(163,835)	69,004
Cash and cash equivalents as of beginning of year	909,476	840,472
Cash and cash equivalents as of end of year	<u>\$ 745,641</u>	<u>\$ 909,476</u>
Cash and cash equivalents, without donor restrictions	\$ 372,190	\$ 469,802
Cash and cash equivalents, with donor restrictions	<u>376,601</u>	<u>439,674</u>
Total cash and cash equivalents	<u>\$ 748,791</u>	<u>\$ 909,476</u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

South Carolina Historical Society (the Society) is a nonprofit corporation organized in 1855 to collect and preserve manuscripts, documents, maps, charts, books, genealogies, works of art and other records. They publish materials and promote dissemination and appreciation of the state's history. The archives, as well as research services, are available to members and the public. Support is derived from museum ticket sales, museum retail sales, annual membership dues, contributions, special events, and earnings from endowment. Smaller amounts of revenue are generated from library and research services and book sales.

**Basis of Accounting**

The financial statements of the Society have been prepared on the accrual basis of accounting and accordingly to generally accepted accounting principles in the United States of America reflect all significant receivables, payables, and other liabilities.

**Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, the Society considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. This includes cash in banks, certificates of deposit and money market funds.

**Contributions and Other Receivable**

Contributions and other receivable are recognized as revenues in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met. The Society uses the allowance method to account for uncollectible promises to give. The allowance is based on management's estimate of the collectability of the promises and historical experience. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of the promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contributions revenue.

**Prepays and Other Assets**

Prepays and other assets are primarily insurance and deposits on upcoming Society events that are paid for in advance of the next year.

**Net Assets**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- **Net Assets without Donor Restrictions**

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the board limits resulting for the nature of the organizations, the environment in which It operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Society must continue to use the resources in accordance with the donor's instructions.

**SOUTH CAROLINA HISTORICAL SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

- **Net Assets with Donor Restrictions**

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Society, unless the donor provides more specific directions about the period of its use. It is the Society's policy to record restricted contributions received and released in the same year as support without donor restrictions.

**Classification of Transactions**

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

**Investments**

The Society investments consist primarily of assets invested in marketable equities, fixed income, real estate funds, and alternative funds. The Society accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the Statement of Financial Position. Fair value of marketable equity and debt securities is based on quoted market prices. Short-term investments comprise of amounts calculated from the prior year spending policy based on a 4% to 5% 3-year rolling average of board designated funds.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Investment income is recorded net of investment expenses. Realized gains or losses on investments are determined by comparison of specific cost of acquisition to proceeds at the time of disposal. Unrealized gains or losses are calculated by comparing cost to market values at the statement of financial position date.

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

**Fair Value of Financial Instruments**

The estimated fair values of the Society's short-term financial investments, including cash, cash equivalents, contribution receivable, grants receivable and investments arising in the ordinary course of business, approximate their individual carrying value due to their relatively short period of time between their origination and expected realization.

**SOUTH CAROLINA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Endowment and Long-term Investment**

Endowment investments consist of investments purchased with the following resources:

- Donor-restricted perpetual endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the Society’s activities.
- Donor-restricted term endowments, which are contributions restricted by donors to invest for the term specified by the donor. During the term, the donor may either require investment income and appreciation to be reinvested in the fund, or may permit the Society to spend those amounts in accordance with donor’s restrictions on use.
- Board-designated endowments, which are resources set aside by the Board of Managers for an indeterminate period to operate in a manner similar to a donor-restricted perpetual endowment. Because a board-designated endowment results from an internal designation, it can be spent upon action of the Board of Managers.

**Property and Equipment**

Purchased property and equipment is recorded at cost. Donated property and equipment is recorded at the approximate fair value at the date of donation. Expenditures for major additions and improvements, generally in excess of \$1,000, are capitalized and minor replacements, maintenance and repairs are charged to expense as incurred. When property and equipment is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statements of activities for the respective period. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, ranging from 5 to 40 years.

**Collections**

The Society follows the Financial Accounting Standards Board (FASB) ASC 958-310-50, collection items acquired either through the purchase or donation are not capitalized. Purchases of collection items are recorded as decreases in net assets without donor restrictions if purchased with funds without donor restrictions and as decreases in net assets with donor restrictions if purchased with donor-restricted funds. Noncash contributions of collection items are not recorded in the statement of activities. A collection inventory is maintained that lists a description of the item, source, and storage location. If the collection is sold, the proceeds will directly benefit the collections on hand for direct care or for the acquisition of new collection items. The collection contains historically significant items related to the Society’s history that are considered priceless. They are held for public exhibition, education or research and are protected, cared for and preserved. See Note 9 - Collections.

**Compensated Absences**

Permanent full-time and permanent part-time employees of the Society are entitled to paid vacations, paid sick days and personal days off, depending on job classification and length of service.

<u>Length of Service</u>	<u>Equivalent Weeks</u>
90 days	1
After 90 days	2
1 year	3
2-4 years	4
5-9 years	5
9-13 years	6
14 years	7

No liability was recorded for estimated unused personal time as of December 31, 2022 and 2021, as amounts are considered immaterial.

**SOUTH CAROLINA HISTORICAL SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Accounting of Contributions**

Contributions, including contributions receivable, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Contributions receivable with payments due in the future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contributions is clearly intended to support activities in the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until as conditions on which they depend are substantially met.

**Revenue and Revenue Recognition**

The Society recognizes contributions when cash, securities or other assets, or an unconditional promise to give (contribution receivables) is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions are met. The Society recognizes revenue from ticket sales, which are nonrefundable, at the time of sale as most advanced tickets are only valid for 30 days after purchase and used within a week or two. Memberships, which are nonrefundable, are comprised of a contribution element only as the performance obligations are met when control is relinquished of the benefits to the supporter at time of purchase, accordingly the Society recognizes memberships immediately. Retail sales are recognized at the time of purchase.

**Functional Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated amount the various functions benefited using a reasonable allocation method that is consistently applied as follows:

- Staff costs are allocated to departments based on area worked. Employees that have more than one area of responsibility are allocated based on time spent working in those areas.
- Direct expenses are charged to their specific area of activity.
- Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

**Advertising**

Cost of promotions and advertising are expensed as incurred. Advertising and promotion expense total \$64,765 and \$26,407 for the years ended December 31, 2022 and 2021.

**Income Tax Status**

The Society is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Society qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an association other than a private foundation under Section 509(a)(2).

**SOUTH CAROLINA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Income Tax Status - Continued**

Management has evaluated the tax positions of the Society and does not believe that any uncertain tax positions or unrecognized tax benefits exist for the years ended December 31, 2022 and 2021. The Society's policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest expense and to report penalties as other expense. The Society is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Reclassifications**

Certain amounts from the prior years have been reclassified to conform to the 2022 presentation without affecting the previously reported net assets.

**NOTE 2 - AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditure, that are without donor or other restrictions limiting their use within one year of the Statement of Financial Position date of December 31, 2022, comprise of the following at December 31, 2022 and 2021:

	<i>(Audited)</i>	<i>(Reviewed)</i>
	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents, without donor restriction	\$ 372,190	\$ 469,802
Cash and cash equivalents, with donor restriction	376,601	439,674
Contribution receivables, net	10,000	10,000
Other receivables	55,219	75,513
Investments	<u>4,357,282</u>	<u>5,463,729</u>
Total financial assets	5,171,292	6,458,718
Less financial assets held to meet donor-imposed restrictions:		
Purpose and time restricted net assets	(2,660,516)	(2,951,006)
Board restricted endowment net assets	<u>(2,936,030)</u>	<u>(3,759,574)</u>
Amount available for general expenditures within one year	<u>\$ (425,254)</u>	<u>\$ (251,862)</u>

The above table reflects donor-restricted and board restricted endowment funds as unavailable because it is the Society's intention to invest those resources for long-term support of the Society. The accounting for endowment note provides more information about spending policies for the endowment funds. In addition, the Society will draw from the endowment of \$127,100 during year 2023 to fund operational needs.

As part of its liquidity plan, the Society has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Society has implemented a five-year plan to increase the museum revenues resources since the museum renovations and opening of the exhibits in late 2018.

**SOUTH CAROLINA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 3 - CONTRIBUTION RECEIVABLES**

Contribution receivables are due as follows as of December 31, 2022 and 2021:

	<i>(Audited)</i>	<i>(Reviewed)</i>
	2022	2021
Gross amounts due in:		
One year	\$ 10,000	\$ 18,500
	10,000	18,500
Less allowance for doubtful accounts	-	(8,500)
Less discount to present value	-	-
Total	\$ 10,000	\$ 10,000

In addition, the Society has been informed of intentions to give in the form of possible future bequests, currently of indeterminable value, that have not been reflected in the accompanying financial statements because they are not unconditional promises.

**NOTE 4 - INVESTMENTS**

Investments held by the Society are in various accounts at a national brokerage firm. Investment fees are netted against gains and losses. Investments are stated at fair market value and consist of the following as of December 31, 2022 and 2021:

	<i>(Audited)</i>		<i>(Reviewed)</i>	
	2022		2021	
	FMV	Cost	FMV	Cost
Real estate funds	\$ 138,243	\$ 189,310	\$ 102,773	\$ 111,702
Alternatives	672,648	672,648	593,222	593,222
Fixed income	1,308,973	1,465,176	1,729,002	1,729,619
Equities	2,237,418	1,932,367	3,038,732	2,013,001
	\$ 4,357,282	\$ 4,259,501	\$ 5,463,729	\$ 4,447,544

Maturities for the above listed investments as of December 31, 2022 and 2021 are as follows:

	<i>(Audited)</i>	<i>(Reviewed)</i>
	2022	2021
Short-term investments	\$ 127,100	\$ 225,000
Long-term investments	4,230,182	5,238,729
	\$ 4,357,282	\$ 5,463,729

**SOUTH CAROLINA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 5 - SUMMARY OF FAIR VALUE EXPOSURE**

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1                      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

Level 2                      Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3                      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

For the years ended December 31, 2022 and 2021, the application of valuation techniques applied to similar assets and liabilities have been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value. The fair value of investments is based on quoted market rates.

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2022:

	<i>(Audited)</i>			
	2022			
	Level 1	Level 2	Level 3	Total
Real estate funds	\$ 138,243	\$ -	\$ -	\$ 138,243
Alternatives	672,648	-	-	672,648
Fixed income	1,308,973	-	-	1,308,973
Equities	2,237,418	-	-	2,237,418
	\$ 4,357,282	\$ -	\$ -	\$ 4,357,282

**SOUTH CAROLINA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 5 - SUMMARY OF FAIR VALUE EXPOSURE - Continued**

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2021:

	<i>(Reviewed)</i>			
	2021			
	Level 1	Level 2	Level 3	Total
Real estate funds	\$ 102,773	\$ -	\$ -	\$ 102,773
Alternatives	593,222	-	-	593,222
Fixed income	1,729,002	-	-	1,729,002
Equities	3,038,732	-	-	3,038,732
	<u>\$ 5,463,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,463,729</u>

The inputs and methodology used for valuing the Society's financial assets and liabilities are not indicators of the risks associated with those instruments.

**NOTE 6 - ACCOUNTING FOR ENDOWMENTS**

For the year end December 31, 2008, South Carolina adopted the State Prudent Management of Institutional Funds Act (SPMIFA). The Board of Managers of the Society has interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as in perpetuity net assets (a) the original gifts donated to the in perpetuity endowment, (b) subsequent gifts to the in perpetuity endowment, and (c) accumulations to the in perpetuity endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as in perpetuity net assets is classified as net assets with donor restrictions in nature until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Society
- (7) The investment policies of the Society

*Return Objectives and Risk Parameters*

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Society must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Managers, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index or similar established broad market measures of return on investments.

**SOUTH CAROLINA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 - ACCOUNTING FOR ENDOWMENTS - Continued**

*Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation or depreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation that places an emphasis on equity-based investments and bond funds to achieve its long-term return objectives within prudent risk constraints.

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Society has a policy of appropriating a distribution each year not to exceed five percent of its selected endowment fund's moving average fair value over the three years preceding the year in which the distribution is planned. In establishing this policy, the Society considered the long-term expected return on its endowment. Accordingly, over the long term, the Society expects the current spending policy to allow its endowment to grow at an average of five to eight percent annually. This is consistent with the Society's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The Society's 2022 endowments consist of twenty-eight (28) individual funds established for a variety of purposes compared to 2021 when the Society had twenty-nine (29) individual funds. Its endowments include funds in perpetuity, temporary in nature, and funds designated by the Board of Managers to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Managers to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment net asset composition by type of fund as of December 31, 2022:

	<i>(Audited)</i>		
	Without Donor	With Donor	Total
	<u>Restrictions</u>	<u>Restrictions</u>	
Board-designated endowment	\$ 2,936,030	\$ -	\$ 2,936,030
Donor-restricted funds			
Perpetual endowment	-	407,921	407,921
Term endowment	-	1,013,331	1,013,331
Total endowment	<u>\$ 2,936,030</u>	<u>\$ 1,421,252</u>	<u>\$ 4,357,282</u>

Endowment net asset composition by type of fund as of December 31, 2021:

	<i>(Reviewed)</i>		
	Without Donor	With Donor	Total
	<u>Restrictions</u>	<u>Restricted</u>	
Board-designated endowment	\$ 3,759,574	\$ -	\$ 3,759,574
Donor-restricted funds			
Perpetual endowment	-	407,921	407,921
Term endowment	-	1,296,234	1,296,234
Total endowment	<u>\$ 3,759,574</u>	<u>\$ 1,704,155</u>	<u>\$ 5,463,729</u>

**SOUTH CAROLINA HISTORICAL SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 - ACCOUNTING FOR ENDOWMENTS – Continued**

Change in endowment net assets during 2022:

	<i>(Audited)</i>		
	Without Donor	With Donor	Total
	<u>Restrictions</u>	<u>Restrictions</u>	
Endowment net assets, beginning of year	\$ 3,759,574	\$ 1,704,155	\$ 5,463,729
Interest and dividends	93,138	43,030	136,168
Realized gains	(77,772)	(36,115)	(113,887)
Unrealized gains	(634,426)	(284,570)	(918,996)
Management fees	(22,718)	(10,461)	(33,179)
Transfers	2,537	(2,537)	-
Contributions	100,386	10,000	110,386
Withdrawals	<u>(284,689)</u>	<u>(2,250)</u>	<u>(286,939)</u>
Change in endowment net assets	<u>(823,544)</u>	<u>(282,903)</u>	<u>(1,106,447)</u>
Total investments	<u>\$ 2,936,030</u>	<u>\$ 1,421,252</u>	<u>\$ 4,357,282</u>

Change in endowment net assets during 2021:

	<i>(Reviewed)</i>		
	Without Donor	With Donor	Total
	<u>Unrestricted</u>	<u>Restricted</u>	
Endowment net assets, beginning of year	\$ 3,450,946	\$ 1,552,503	\$ 5,003,449
Interest and dividends	86,628	38,168	124,796
Realized gains	230,462	102,182	332,644
Unrealized gains	46,658	20,024	66,682
Management fees	(26,118)	(11,539)	(37,657)
Transfers	5,183	(5,183)	-
Contributions	123,700	10,000	133,700
Withdrawals	<u>(157,885)</u>	<u>(2,000)</u>	<u>(159,885)</u>
Change in endowment net assets	<u>308,628</u>	<u>151,652</u>	<u>460,280</u>
Total investments	<u>\$ 3,759,574</u>	<u>\$ 1,704,155</u>	<u>\$ 5,463,729</u>

**SOUTH CAROLINA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 7 - PROPERTY & EQUIPMENT**

Property and equipment consist of the following as of December 31, 2022 and 2021:

	<i>(Audited)</i>	<i>(Reviewed)</i>
	<u>2022</u>	<u>2021</u>
Depreciable assets:		
Office and library equipment	\$ 204,334	\$ 202,076
Exhibits and equipment	1,470,655	1,381,536
Building improvements	<u>3,357,141</u>	<u>3,357,141</u>
Total property and equipment	5,032,130	4,940,753
Less: accumulated depreciation	<u>(1,249,327)</u>	<u>(984,042)</u>
	3,782,803	3,956,711
Non depreciable assets:		
Building and land	800,000	800,000
Work in progress	-	<u>29,035</u>
Total property and equipment	<u>\$ 4,582,803</u>	<u>\$ 4,756,711</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$265,285 and \$265,760, respectively.

The Fireproof Building that houses the Society has historical significance and has been designated a National Historic Landmark. The County of Charleston, South Carolina conveyed the building and surrounding property to the Society on December 31, 1980 under the condition that the building continue to be used to house and protect historic records. In the event of violation of this condition, the deed reverts back to the County. The building is considered to meet the criteria for a historical treasurer in accordance with FASB No. 958-360-35, *Subsequent Measurement of Depreciation by Not-for-profit Organizations*, an asset that has cultural, aesthetic or historical value that is worth preserving perpetually, therefor no deprecation has been recorded.

Costs associated with the construction of a project is capitalized. Such costs include development or construction costs of exhibits. Most of the projects included in the construction in progress are currently expected to be completed by the year ended December 31, 2022.

**SOUTH CAROLINA HISTORICAL SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

The Society has net assets with donor restrictions for the following purposes and time restrictions as of December 31, 2022 and 2021:

		<i>(Audited)</i>				
		2022				
Net Asset Fund	Purpose	Beginning With Donor Restrictions	Contributions/ Investment Income(Loss)	Distributions For Purpose	Ending With Donor Restrictions	In Perpetuity Restrictions
Alexander Quattlebaum Fund	Publications	\$ 97,114	\$ (16,328)	\$ -	\$ 80,786	\$ -
Anna Wells Rutledge Fund	Internship	33,452	(7,307)	-	26,145	10,000
B. Allston Moore Fund	Manuscript/Letters	29,762	(5,846)	-	23,916	5,000
Bunting Scholarship Fund	Staff Scholarships	25,400	(4,270)	-	21,130	-
Capt. Peter Gaillard Fund	Map and Plat Collection	70,958	(16,328)	(778)	53,852	30,000
Charlotte Willkie Pihl Fund	Collections	255,566	(51,376)	-	204,190	50,000
Contribution receivable	Capital Campaign	10,000	-	-	10,000	-
Fire Proof Building	Building	-	-	-	-	800,000
Fireproof Building Fund	Building Improvements	4,757	(799)	-	3,958	-
Fredrick H. Bunting Fund	SC Historical Magazine	38,469	(14,875)	-	23,594	50,000
Gignilliant Fund	Scholarships	315,031	(11,463)	(2,250)	301,318	50,000
Joseph I. Waring Fund	Publications/Carologue	41,554	(16,234)	-	25,320	55,000
Josephine Pinckney Fund	Archives	7,174	(1,710)	-	5,464	3,000
Other restricted net assets	Education Fund	14,102	-	-	14,102	-
Other restricted net assets	Adopt A Collection	54,588	2,000	-	56,588	-
Other restricted net assets	Donnelly Digitization	31,078	57,503	(48,299)	40,283	-
Other restricted net assets	WF Education Website	11,140	-	-	11,140	-
Other restricted net assets	Donnelly Staff Training	258	-	-	258	-
Other restricted net assets	350th Anniversary Celebration	292,857	27	(123,800)	169,084	-
Other restricted net assets	South State Grant	9,108	-	-	9,108	-
Other restricted net assets	Wells Fargo Travel Exhibit	4,275	-	-	4,275	-
Other restricted net assets	City of Chas A. Tax Grant	-	10,500	(5,500)	5,000	-
Other restricted net assets	Charleston County A-Tax	7,268	8,913	(9,425)	6,756	-
Other restricted net assets	Exhibit Gallery Six	15,000	-	-	15,000	-
Other restricted net assets	Digitizing Slave Records	-	12,000	-	12,000	-
Other restricted net assets	Francois Courege Release	-	1,500	-	1,500	-
Other restricted net assets	Humanities Council Grant	-	2,000	(1,884)	116	-
Other restricted net assets	Prgms & Hist.Literacy-Sanders	-	50,500	(23,384)	27,116	-
Other restricted net assets	Sanders Fdn	-	11,796	(5,607)	6,189	-
Other restricted net assets	Sue Parks Keitt	-	750	-	750	-
Post and Courier Fund	The Magazine	4,263	(717)	-	3,546	-
R. Lockwood Tower Fund	Civil War Collection	35,411	(8,653)	(1,759)	24,999	24,921
Rev. Charles Pinckney Fund	Research/Publications	20,107	(7,584)	-	12,523	25,000
Westerlund Family Fund	Education	242,721	(32,100)	-	210,621	-
William Hazard Wigg Fund	Maintain Wigg Rooms	71,672	(29,704)	-	41,968	105,000
Total Net Assets		<u>\$ 1,743,085</u>	<u>\$ (67,804)</u>	<u>\$ (222,686)</u>	<u>\$ 1,452,595</u>	<u>\$ 1,207,921</u>

**SOUTH CAROLINA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS - Continued**

		(Reviewed)				
		2021				
Net Asset Fund	Purpose	Beginning With Donor Restrictions	Contributions/ Investment Income(Loss)	Distributions For Purpose	Ending With Donor Restrictions	In Perpetuity Restrictions
Alexander Quattlebaum Fund	Publications	\$ 88,653	\$ 8,461	\$ -	\$ 97,114	\$ -
Anna Wells Rutledge Fund	Internship	29,666	3,786	-	33,452	10,000
B. Allston Moore Fund	Manuscript/Letters	26,733	3,029	-	29,762	5,000
Bunting Scholarship Fund	Staff Scholarships	23,187	2,213	-	25,400	-
Capt. Peter Gaillard Fund	Map and Plat Collection	63,570	8,944	(1,556)	70,958	30,000
Charlotte Willkie Pihl Fund	Collections	228,943	26,623	-	255,566	50,000
Contribution receivable	Capital Campaign	134,562	-	(124,562)	10,000	-
Fire Proof Building	Building	-	-	-	-	800,000
Fireproof Building Fund	Building Improvements	4,342	415	-	4,757	-
Fredrick H. Bunting Fund	SC Historical Magazine	30,761	7,708	-	38,469	50,000
Gignilliant Fund	Scholarships	285,114	31,917	(2,000)	315,031	50,000
Joseph I. Waring Fund	Publications/Carologue	33,142	8,412	-	41,554	55,000
Josephine Pinckney Fund	Archives	6,288	886	-	7,174	3,000
Other restricted net assets	Education Fund	14,102	-	-	14,102	-
Other restricted net assets	Adopt A Collection	18,907	57,530	(21,849)	54,588	-
Other restricted net assets	Donnelly Digitization	60,169	-	(29,091)	31,078	-
Other restricted net assets	WF Education Website	12,816	-	(1,676)	11,140	-
Other restricted net assets	Marketing Campaign	3,500	-	(3,500)	-	-
Other restricted net assets	Donnelly Staff Training	1,276	-	(1,018)	258	-
Other restricted net assets	350th Anniversary Celebration	394,123	1,119	(102,385)	292,857	-
Other restricted net assets	South State Grant	9,108	-	-	9,108	-
Other restricted net assets	Wells Fargo Travel Exhibit	5,801	1,048	(2,574)	4,275	-
Other restricted net assets	Charleston County Billboard	1,085	-	(1,085)	-	-
Other restricted net assets	Charleston County A-Tax	1,175	7,268	(1,175)	7,268	-
Other restricted net assets	Exhibt Gallery Six	15,000	-	-	15,000	-
Post and Courier Fund	The Magazine	3,892	371	-	4,263	-
R. Lockwood Tower Fund	Civil War Collection	33,438	5,600	(3,627)	35,411	24,921
Rev. Charles Pinckney Fund	Research/Publications	16,177	3,930	-	20,107	25,000
Westerlund Family Fund	Education	211,574	31,147	-	242,721	-
William Hazard Wigg Fund	Maintain Wigg Rooms	56,279	15,393	-	71,672	105,000
Total Net Assets		\$ 1,813,383	\$ 225,800	\$ (296,098)	\$ 1,743,085	\$ 1,207,921

The investment income related to the funds in perpetuity are accounted for within donor restricted investment earnings on the statements of activities. No additional contributions were added to the funds in perpetuity during 2022 and 2021.

**SOUTH CAROLINA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 9 - COLLECTIONS**

Collection items are not capitalized. The Society does not consider the collection a financial asset, but rather an irreplaceable treasure of South Carolina culture. Donors continue to contribute to the collection each year. A majority of the collection resides at the College of Charleston. There were no purchases or sales of collection items for the years ended December 31, 2022 and 2021.

**NOTE 10 - CONTRIBUTIONS TO OTHERS**

The Society made a restricted contribution to others for the modifications made to the Addlestone Library to accommodate the housing of the Society's collection, exhibit of the collection and other cost associated with managing the Society's collection. The total pledge of \$500,000 is to be paid in annual payments of \$50,000 for 10 years, which were originally to begin December 31, 2013 and were extended to beginning December 31, 2014 which is after the collection was moved. The obligation has been discounted using the Federal prime rate of 3.25% for the years ended December 31, 2022 and 2021, respectively. In 2022, The South Carolina Historical Society entered into an amended agreement releasing them from future pledge obligations. Future pledge payments as of December 31, 2022 and 2021 are as follows:

	<i>(Audited)</i>	<i>(Reviewed)</i>
	2022	2021
Gross amounts payable in:		
One year	\$ -	\$ 50,000
Two to five years	-	150,000
	-	200,000
Less discount to present value	-	(37,437)
Total	\$ -	\$ 162,563

**NOTE 11 - CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Society to concentrations of credit risk consist of cash in banks; investments managed by brokerage firms and promise to give. The Society places its cash and investments with reputable financial institutions and limits the amount of credit exposure for cash to any one financial institution. Accounts held by banking institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2022 and 2021. The Society's uninsured cash balances as of December 31, 2022 and 2021 are \$299,181 and \$406,703, respectively.

Contributions are derived from donors throughout the state of South Carolina, most of whom are in the Charleston area.

The Society has credit risk in the investment funds managed by a trust department. The trust department holds these funds in a fiduciary capacity, and they are not held as collateral for the trustee's creditors. Credit risk is managed by investment policies.

**SOUTH CAROLINA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 12 - RETIREMENT PLAN**

The Society sponsors a qualified retirement plan under IRS Code 403(b). Effective July 1, 2017, the plan was amended to allow the Society to match up to 7% of the employees' compensation. During the year ended December 31, 2016 and first six months of 2017, the Society matched up to 5% of the employees' compensation. Employees must be age 21, work sixty days and work 20 hours per week to be eligible to receive the match. Effective January 1, 2019, the plan was restated to include part-time employees in the match program. The Society's retirement expense for the years ended December 31, 2022 and 2021 was \$25,884 and \$25,883 respectively.

**NOTE 13 - RELATED PARTIES**

During the years ended December 31, 2022 and 2021, various board members contributed funds and made payments on pledges for the building, marketing and archives campaign funds.

**NOTE 14 - CHARITABLE REMAINDER TRUST**

The Society is the beneficiary of several charitable remainder trusts. The Society does not receive any regular annual distributions; nor is there adequate information to estimate their value or future cash flow streams. No amounts have been recorded as of December 31, 2022 and 2021.

**NOTE 15 - SUBSEQUENT EVENTS**

In accordance with ASC 855, the Society evaluated subsequent events through the report date and has concluded no significant subsequent events meet the criteria of the professional accounting standards to be recognized or not recognized, but disclosed, in these financial statements.